

Rocky Mountain Power
Exhibit RMP____(EDW-1)
Docket No. 07-
Witness: Erich D. Wilson

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Erich D. Wilson

Richard Walje Goals

December 2007



2007 GOALS ROCKY MOUNTAIN POWER

**RICHARD WALJE
PRESIDENT**

-
- 1. Support all companywide goals – Collaborate with the presidents of Pacific Power, PacifiCorp Energy and MidAmerican Energy Company to ensure the efficient use of resources and to convey consistent external positions.**
 - 2. Safety – Develop and implement a safety improvement plan that will improve Rocky Mountain Power’s safety record by reducing the recordable accident rate, lost-time accident rate, restricted duty cases, medical treatment cases and preventable vehicle accidents.**
 - Reduce lost-time accidents to five or fewer.
 - Reduce recordable incidents to 49 or fewer.
 - Reduce restricted duty incidents to eight or fewer and hearing threshold shift incidents to one or fewer.
 - Reduce preventable vehicle accidents to fewer than 60.
 - Deliver Rocky Mountain Power 2007 safety plan.
 - Comply with all mandated health and safety training requirements.
 - 3. Environmental – Assure the environmental management system and associated compliance plan encompasses all actions required to reduce risk associated with noncompliance and to mitigate and/or eliminate any potential environmental impacts caused by incidents.**
 - Correct all potential noncompliance findings at facilities.
 - Reduce preventable incidents to fewer than 40.
 - Perform 12 environmental management system required audits.

- Meet U.S. Fish and Wildlife Service requirements for avian and raptor protection.
 - Further integrate the environmental services organization within Rocky Mountain Power's construction activities.
 - Increase Blue Sky participation by adding 2,250 new customers (a 10 percent increase compared to 2006 actual).
 - Review the Blue Sky tariffs across Rocky Mountain Power and file revised tariffs in each state to: clarify the company's ability to provide grants to certain community-based projects that are research and development oriented; allow for the contribution of Blue Sky revenues toward company-owned renewable projects to reduce the cost of renewable energy; and complete other modifications as required to better promote the adoption of renewable energy by customers.
 - Deliver demand-side management targets as presented in the proposed 2006 Integrated Resource Plan update of 138 megawatts of class 1 schedule firm and/or dispatchable resources as measured at the customer site (153 megawatts at generator).
 - Deliver demand-side management targets for class 2 as presented in the proposed 2006 Integrated Resource Plan of 13.32 average megawatts (14.8 megawatts at the generator). It is anticipated that the class 2 accomplishments also will deliver a minimum of 17 megawatts of permanent peak load reductions to the system as measured at the customer site (20 megawatts at the generator).
 - Develop a demand-side management program for consideration in the state of Wyoming and seek approval from the commission. Implement the outcome of the commission decision.
- 4. Customer/Stakeholder Satisfaction – Significantly improve customer satisfaction levels at all customer interface points throughout the organization.**
- Develop and implement a strategic communications plan focused on Rocky Mountain Power, PacifiCorp Energy and MidAmerican Energy Holdings Company's operations, regulations and community relations.
 - Continue to implement local and regional customer service improvement plans.
 - Increase visibility and improve relations with industrial customers and consumer associations.

- Improve J.D. Power & Associates residential customer survey results from 4th quartile rating to a 3rd quartile rating in the Western region.
- Improve J.D. Power & Associates business customer survey results from 3rd quartile rating to 2nd quartile rating in the Western region.
- Achieve TQS customer survey score of No. 1 nationally.
- Achieve commission complaint rate of no more than 0.29 per 1,000 customers (282 complaints).
- Achieve customer guarantee success rate of 99.99 percent or no more than 2.1 failures for every 10,000 customer events (240 failures).
- Achieve telephone service levels of 80 percent answered in 30 seconds.
- Achieve billing accuracy at or above 99.0 percent.
- Achieve meter reading accuracy at or above 99.85 percent.

5. Financial Performance – Deliver Rocky Mountain Power budgeted net income, operating expenses and capital expenditure targets.

- Achieve targeted Rocky Mountain Power net income.
- Achieve targeted operating expense budget.
- Achieve targeted capital expenditure investment program.
- Achieve bad debt net write-offs of less than \$10.8 million (0.35 percent of revenue) for Rocky Mountain Power and Pacific Power. (\$5.4 million or 0.28 percent of billed revenue for Rocky Mountain Power.)
- In compliance with Utah general rate case commitments, deliver \$62.8 million in Utah distribution maintenance and \$5.1 million in Utah distribution pole replacements.
- Implement improvements to capital forecasting and monitoring identified in the Summit-Vineyard project review.
- Continue to refine the Rocky Mountain Power asset investment plan to assure optimal use of capital.
- Identify and deliver ongoing operational efficiencies.

6. Operational Performance – Ensure operational planning and delivery.

- Deliver the capital investment and maintenance plans within budget.
- Develop and implement a plan to ensure Rocky Mountain Power's infrastructure planning horizon is sufficient to enable effective detailed project scope and design in support of capital optimization, engineering, competitive procurement and construction requirements.
- Restore 80 percent of customer outages within three hours in Utah, Wyoming and Idaho.
- Complete vegetation management cycles as planned and within budget.
- Implement the centralized scheduling and compliance center initiative.
- Average age of "A Conditions" not to exceed 80 days for conditions identified for remediation.
- Complete all "Fuse It or Lose It" projects in Utah, Wyoming and Idaho.
- Complete all "Saving SAIDI" projects in Utah, Wyoming and Idaho.
- Achieve an annual system average interruption duration index (SAIDI) reduction from 206 to 183 minutes (11 percent improvement).
- Achieve an annual system average interruption frequency index (SAIFI) reduction from 1.988 to 1.958 events (1.5 percent improvement).
- Achieve an annual customer average interruption duration index (CAIDI) reduction from 103 to 94 minutes (8.7 percent improvement).
- Significantly improve an additional 15 underperforming circuits in Rocky Mountain Power.
- Implement a targeted reliability-improvement-focused maintenance plan and baseline improvements for future planning purposes.
- Implement a logistics and materials management plan to reduce stock-outs of key materials by 50 percent.
- Identify all federal, state, tribal and private easements for Rocky Mountain Power 230-kilovolt or larger transmission lines that expire in the next five years. Annually, develop and execute plans to renegotiate all such easements expiring in a three-year timeframe or shorter.

7. Major Project Delivery

- Deliver 115 megavolt-amperes of additional capacity associated with the Utah load growth capital plan.
- Deliver the 2007 portion of the mobile radio replacement project.
- Deliver the 2007 phase of the interactive voice response/automated agent routing technology replacement for the customer call centers.
- Deliver major customer transmission interconnections to large Wyoming loads on time and within 10 percent of the budget estimates provided to customers.
- Deliver the 2007 phase of the automated meter-reading project within Rocky Mountain Power (approximately 290,000 meters).
- Deliver the 2007 phase of the Three Mile Knoll project.
- Complete Summit-Vineyard transmission projects in 2007.
- Assume executive sponsorship for the mobile radio replacement project for the MidAmerican Energy Holdings Company. Deliver the 2007 portion of the project across all business platforms.

8. Organizational Planning and Development – Build and develop organizational capability to maximize productivity.

- Educate all managers on how the company succeeds financially as a regulated utility.
- Provide support and resources to assist employees in continuing their professional development.
- Evaluate training and development programs to ensure they are effective in supporting employees' abilities to deliver company objectives.
- Evaluate workforce to identify high-potential leaders in 2007 and deliver succession plans.
- Cascade key information and learnings from the MidAmerican Energy Holdings Company leadership conference to all managers and supervisors.
- Reassess management's span of control and implement findings.

- Identify and develop plans to address long-term labor issues and opportunities to improve operational and resourcing flexibility to address customer and business needs.
 - Develop a resource strategy for internal workforce and contractors and incorporate it in the business plan.
9. **Quality of Service and Regulatory Commitments – Deliver the commitments made during the MidAmerican Energy Holdings Company transaction and other regulatory proceedings to regulators and other stakeholders in Utah, Idaho and Wyoming.**
- All commitments and associated filings and meetings delivered on time and communicated appropriately to commissions and other parties as appropriate.
 - Deliver the staffing plan incorporated in acquisition commitment U47.
10. **Regulatory/Legislative – Develop and execute strategies to improve business results while enhancing working relationships with regulators, legislators, customer associations and interveners.**
- Collaborate with customers and regulators to determine if beneficial modifications to Senate Bill 26 should be made and take steps to introduce legislation during the 2008 Utah session.
 - Execute, evaluate and adjust as necessary the five-year regulatory and public policy agenda for Rocky Mountain Power.
 - Implement, evaluate and adjust as necessary the regulatory and legislative plan to strengthen relationships with all levels at the Utah, Wyoming and Idaho commissions and legislative bodies to increase the company's ability to achieve its reliability, customer service and financial goals.
 - Provide legislative, legal and regulatory support to prevent any Utah, Idaho, Wyoming or Montana energy legislation from having a significant adverse affect upon PacifiCorp and its customers.
 - Prepare and file a Utah general rate case by Dec. 31, 2007, that incorporates strategic pricing proposals.
 - Prepare and file an Idaho general rate case by June 1, 2007, for implementation Jan. 1, 2008.
 - Prepare and file a Wyoming general rate case, with timing of the filing consistent with optimizing cost recovery relative to the cost recovery received through the power cost adjustment mechanism.

- By Feb. 1, 2007, assess the risks and benefits of filing a cost-recovery mechanism for renewable energy investments and purchases, including qualifying facilities in all states.
- Develop and gain acceptance of low-income legislation in Utah that mitigates rate-design exposure in rate cases.
- Support integrated resource plan type legislation in Wyoming.
- Work with Idaho investor-owned utilities to develop the ability to file forecast test periods or other innovative mechanisms to support investment and cost recovery.
- Support MidAmerican Energy Holdings Company's national political plans and goals.

11. Legal and Risk Management – Plan and deliver acceptable legal outcomes for Rocky Mountain Power. Effectively assess, manage and mitigate business risk.

- Litigate or settle the Mountain View corridor right-of-way dispute and OCI damage claim on terms acceptable to Rocky Mountain Power.
- Conclude request for proposal 2012 on acceptable terms leading to issuance of final request for proposal approved by the Utah Public Service Commission in the first quarter of 2007.
- Develop and implement policies for Utah, Wyoming and Idaho related to service territory retention and expansion, including required changes in tariffs.
- Renew the four franchise agreements that expire in 2007 by Dec. 31, 2007.
- Satisfactorily and proactively resolve legal disputes.
- Develop and implement a risk management plan for Rocky Mountain Power: first phase by Feb. 28, 2007, and second phase by Dec. 31, 2007.

12. Maintain strict compliance with all financial, legal, regulatory and environmental requirements.

- Ensure all internal and external audits and related Sarbanes-Oxley and Securities and Exchange Commission requirements are satisfied.
- Ensure adherence to standards of business conduct, including fraud and whistle-blower statutes.

- Meet all Federal Energy Regulatory Commission Standards of Conduct.
- Maintain strict compliance with all applicable companywide, Federal Regulatory Energy Commission, state and local environmental requirements, including the environmental RESPECT policy.
- Maintain a Rocky Mountain Power compliance program with certifications from key business leaders.